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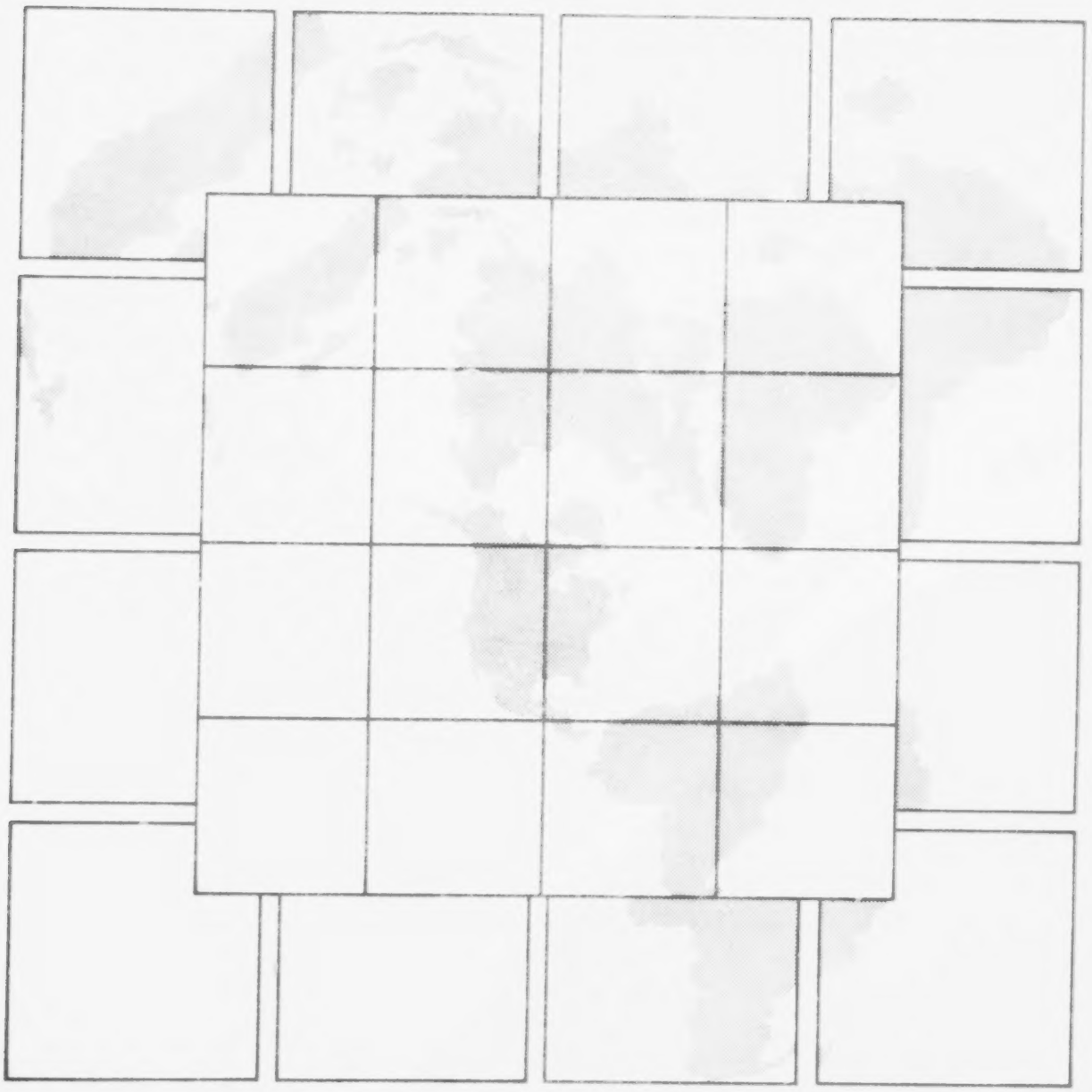

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LABOR TRENDS IN COLOMBIA 1987-1988

I. INTRODUCTION

Colombia's economy continued to improve in 1987-88 and unemployment declined, but the annual increase in the minimum wage fell behind the inflation rate during the first half of 1988. The keynote struck by labor in the reporting period was unity. It encompassed the consolidation and growth of the leftist-majority Unified Workers Central (CUT) and the ongoing efforts by the democratic labor movement to unify and reform. Labor unrest increased during this period with most of the strikes involving CUT-affiliated labor organizations. These were longer and more bitter affairs than in previous years; some strikes seemed fueled by political issues and were frequently plagued by violence. Consequently, protest strikes by agrarian, cement and government workers over the killing of labor activists were frequent. Experienced negotiators in the Labor Ministry contributed to the solution of many labor conflicts, but the prospect of continued labor unrest looms ahead for 1988-1989. Part VIII addresses workers' rights issues.

II. ECONOMIC OVERVIEW

Colombia's economy continued to improve during 1987 and early 1988. Economic growth for 1987 was over five percent, sufficient to reduce unemployment from 14.3 percent in March 1986 to 12.6 percent by March 1988. By mid-1988, it appeared likely that overall growth that year would match or surpass the five percent-plus of the previous two years. The wide-ranging structural adjustment program begun in the mid-1980's continued to yield results. The Government's efforts to manage the external debt situation enabled Colombia to maintain the notable distinction of being the only major Latin American country which has not been forced into formal or ad hoc rescheduling of its public debt.

Inflation, which already had been at a disturbingly high level, grew worse in the first quarter of 1988 and affected workers' cost of living. Problems in the agricultural sector contributed to pressure on food prices. But pragmatic and intelligent responses to the inflationary threat may have a good chance of achieving some success in reducing inflation in the latter half of 1988.

Average salary and the national minimum wage for 1988 (raised 25 percent by the Government) adjusted to the 1987 inflation rate (24.02 percent). The new minimum salary benefited 3 million urban and agrarian workers in the private sector. The impact of the raise, however, was blunted by March 1988 when the monthly rate of inflation outstripped the 1988 minimum wage level, allowing the radicalization of demands made by workers' organizations.

III. LABOR MOVEMENT STRUCTURE AND STRENGTH

There are an estimated 1,140,000 unionized workers in Colombia, or 11-12 percent of the total labor force. Over 300,000 public employees in Colombia are unionized, along with most workers in large businesses in the larger cities. Most recent employment growth in Colombia, however, has concentrated on small enterprises ("micro industria") involved in manufacturing and commerce and in the virtually nonunionized "informal" sector. The agricultural sector, which still accounts for more than 25 percent of the labor force, lacks significant unions except in the sugar and banana industry, although leftist organizers are attempting to revive agrarian unionism in the other sectors.

Colombian workers are organized into 2,210 unions, 93 federations and 4 confederations. The four labor confederations are the Central Unitaria de Trabajadores (CUT), the Confederacion de Trabajadores de Colombia (CTC), the new Confederation of Democratic Workers of Colombia (CDTC), and the Confederacion General de Trabajo (CGT).

According to figures available in December 1987, the four confederations and the rest of the organized labor movement in Colombia are ranked as follows:

	FEDERATIONS	UNIONS	TOTAL
CUT	42	780	510,000
DEMS*	41	750	380,000
CGT	10	230	100,000
INDEPS.		450	150,000
TOTAL	93	2,210	1,140,000

*Refers to AIFLD-linked democratic labor organizations, including the CTC and CDTC confederations, currently involved in unification efforts.

(SOURCE: Center of Labor Studies [CEDETRABAJO] and the Labor Ministry)

The CUT represents 45 percent of the organized labor movement. Democratic organizations (CDTC, CTC, etc.) involved in the unification movement represent almost 33 percent; the CGT 9 percent and independent unions 13 percent.

Labor Leadership:

1. THE UNITARIAN WORKERS CENTRAL (CUT)

President:	Jorge Carillo Rojas
Secretary General:	Angelino Garzon
First Vice President:	Orlando Obregon
Second Vice President:	Gustavo Osorio
Third Vice President:	Abel Rodriguez
Fourth Vice President:	Hugo Solon Becerra
Fiscal (financial watchdog):	Anibal Palacio
Int'l Affairs Sec'y:	Hernando Rodriguez Maldonado
Sec'y of Organization:	Luis A. Pedraza Becerra

2.THE NEW CONFEDERATION OF DEMOCRATIC WORKERS OF COLOMBIA (CDTC)

President:	Mario De J. Valderrama
First V. P., Internat. Aff.:	Marco A. Cordoba
Secretary General:	Alfonso Vargas
Fiscal:	Jairo E. Camacho

3. THE COLOMBIAN WORKERS' CONFEDERATION (CTC)

President (first term):	Apecides Alviz
First Vice President:	Pedro Pablo Manyoma (will serve second half term as Pres.)
Secretary General:	Ramon Marques
Fiscal:	Jorge Isuaisti Garcia

4. THE GENERAL CONFEDERATION OF WORKERS (CGT)

President:	Julio Gomez Esguerra
Vice President:	Laureano Rodriguez

IV. THE KEY DEVELOPMENT: UNIFICATION OF LABOR

The keynote struck by organized labor in 1987-1988 has been unity. The highlights of this process have been the consolidation of the CUT alliance (between communist labor leaders and former democratic labor leaders) as the largest and strongest labor confederation in Colombia and the ongoing unification efforts of the democratic labor movement.

The Creation of the CUT

Jorge Carrillo, a former Labor Minister and former vice president of the UTC labor confederation, took with him into the CUT 13 federations from the UTC and 5 from the CTC in 1986. Later that year, he joined leaders of the CSTC labor confederation in founding a new central body, the Unitarian Workers Central (CUT). Also participating in this venture were two large federations: public teachers (FECODE) and government employees (FENALTRASE). The CSTC, FECODE, and FENALTRASE were all organized under Marxist doctrine. The CUT was officially founded on August 19, 1986.

1987-1988: Efforts to Unify the Democratic Labor Movement

Hounded by lawsuits from the numerous creditors of its failed taxi cooperative, the UTC saw many of its remaining unions disaffiliate in 1987-88. The future of the UTC was further clouded when on June 1 a criminal court judge ordered the detention of UTC President Victor Acosta and his treasurer, Santader Solano, on suspicion of embezzling funds belonging to the labor confederation's taxi cooperative. Outraged workers who sank their life savings into the cooperative and lost them have hounded Acosta and Solano for years, to the point that both avoided all public appearances. Acosta was unable to attend this year's ILO meeting in Geneva because of a court order restraining him from leaving the country.

The ensuing resignation of UTC president Victor Acosta was followed by extensive reorganization in June 1988. Some saw the accession of acting UTC President Mario Valderrama as a chance for the beleaguered labor confederation to recover from its two-year decline and win back some of the prodigal unions. The decline of the UTC, once the largest labor organization in Colombia as well as the growing strength of the CUT, stirred a call for unity by members of the troubled UTC and CTC labor confederations. Several independent federations joined the merger drive. These included the democratic FETRAMECOL (metalworkers) and FEDEPETROQUIM (petrochemical workers) federations. Another participant in the unification efforts has been the National Committee for Trade Union Solidarity (CNSS), an independent grouping that organizes some 30,000 members, mainly government and bank workers.

In an increasingly unfavorable environment, the democratic labor organizations attempted in 1987-88 to merge into one umbrella organization. Delegates from the UTC and CTC confederations and representatives of several independent federations agreed on July 30, 1987, to hold a unification

congress in 1988. They tasked an inter-organizational "unity committee" with responsibility for negotiating the necessary consensus for the merger, including the elaboration of the final terms of unification. In a "unity symposium" held March 5, 1988, 300 delegates representing 20 democratic labor federations signed the merger agreement and announced the unification congress for August 6-7, 1988. Although the CTC's leadership retained strong reservations regarding the terms of unification, they held out some hope that the CTC would join the unity movement before the celebration of the unity congress in August.

The founding congress of the Confederation of Democratic Workers of Colombia took place as scheduled on August 6-7. The 1,200 national delegates represented 43 labor organizations nationwide, including 23 full-fledged federations. The Congress was the result of arduous efforts by the Democratic "Committee of Labor Unity," which for a year has tried to merge democratic labor groups into one "super confederation." The new organization is estimated to represent some 150-200,000 members, despite inflated claims of 300,000.

Labor organizations now part of the CDTC include the ICFTU-linked former Union of Colombian Workers (UTC); the FETRAMECOL Federation (steel industry workers); the FEDEPETROQUIM Federation (petroleum and chemical workers); the Trade Union Solidarity National Confederation (CNSS); FETRALANO (The Eastern Plains Regional Workers Federation); the "FANAL" Agrarian Workers Federation; and the Federation of Independent Workers of Valle del Cauca (FITVA). The former UTC union, led by Antiquia labor leader Mario De J. Valderrama, and the CNSS represent the largest CDTC contingents. To fulfil a legal requirement, all participating organizations voted themselves out of individual existence prior to the merger congress.

V. COST OF LIVING, WAGES AND EMPLOYMENT

Employment and Unemployment: 1986-1988

Colombia's working age population (ages 12 to 60) is estimated at 19.5 million people or roughly 63 percent of the 28 million total population. There are 9.3 million people employed and 2.4 million are out of work. Of those working, at least 2 million are underemployed. In 1987, according to figures released in December of that year, there were 3,218,000 employed in Colombia's 4 major cities. Of those, 55 percent (1,762,000) were in Bogota; 18 percent (580,000) in Cali; 17 percent (554,000) in Medellin; and 10 percent (322,000) in

Barranquilla. As a result of the recovery in economic activity experienced in 1987, 140,000 new jobs were created that year in the 4 cities, with the lion's share going to Bogota (77,000). Most of these new jobs were generated in the manufacturing and commerce sectors. As in past years, employment grew faster in the "informal sector." Five out of every 10 new city jobs and 7 out of 10 new rural jobs were being generated in this sector, characterized as containing "enterprises with less than 10 employees, the self-employed, and unpaid family helpers."

Of the 7 medium-sized cities, only in Ibague did the unemployment rate decrease in 1987 (from 15.4 percent in 1986 to 12.1 percent in 1987). In Bucaramanga, Manizales, Pasto, Cucuta, Pereira and Monteria unemployment increased sharply in 1987, due to an increase in the labor supply. Given the "weight" of the 4 largest cities, however, the overall unemployment rate declined from 12.3 percent in December 1986 to 10.4 percent in December 1987.

The following figures represent unemployment percentages in the four principal cities:

1986			
MARCH	JUNE	SEPTEMBER	DECEMBER
14.3	14.7	13.0	12.0
1987			
MARCH	JUNE	SEPTEMBER	DECEMBER
13.4	12.2	11.3	10.1
1988			
MARCH	JUNE	SEPTEMBER	DECEMBER
12.6	--	--	--

The March 1988 unemployment figures were lower than those for the same time the preceding year, but higher than December 1987 when the normal seasonal fluctuation provoked a steeper than usual decline in unemployment. In Bogota itself the unemployment index for March 1988 reached 12.2 percent, in Medellin 14.4 percent, in Cali 11.9 percent, and Barranquilla 13.2 percent. By including the 3 medium-sized cities (Bucaramanga, Manizales and Pasto), the unemployment index for March 1988 would be 12.8 percent. The four largest cities by themselves contained 458,000 unemployed in March 1988.

Wages

Real wages in 1987 declined slightly after the mild 1986 recovery, due mostly to the rise in inflation. The 1988 minimum wage raise (a 25 percent increase over the 1987 minimum wage) adjusted to the 1987 inflation figures but fell short of the monthly inflation rate increases of early 1988.

Average Medium and Low Incomes:

1986	Medium	103,074.86
	Low	37,950.36
1987	Medium	126,370.13
	Low	47,283.95
1988 (Feb.)	Medium	135,535.27
	Low	50,676.19

Real Wages (Base 1980=100):

Industrial Sector Percentages

	Real Wages	Employment
1985	116.70	82.30
1986	121.40	82.40
1987	120.62	83.64

The last three years have shown a fluctuation in real wages, due mostly to inflation levels. Colombian inflation has ranged between 10 and 25 percent annually for most of the last 20 years. Trade unions accepted the January 1988 minimum wage increase, but several months of unusually rapid inflation (especially in food prices) led many to conclude that the increase had been insufficient. Partly as a result, the early months of 1988 were marked by a wave of strikes and public protests; most, however, were of short duration. In May, a delegation representing the Communist-majority CUT labor confederation and the Christian Democratic CGT handed the Government a long list of demands, including a price freeze for key consumer goods; reduction of bank interest rates to 11 percent; and a two-year moratorium on foreign debt repayment. The CUT and CGT spokesmen threatened to mount a nationwide strike in the late summer or early fall of 1988 should the Government refuse to comply with the above demands. These demands highlighted the political sensitivity of Colombia's low real incomes earned by a significant amount of the population. The national minimum wage is only 97 U.S. dollars per month,

and many workers in the informal sector earn less. This figure is considerably inferior to the government measure of subsistence income ("canasta familiar") for a family of four in Bogota and other major cities.

(All figures provided by the Departamento Administrativo Nacional de Estadisticas -- DANE.)

VI. MINISTRY OF LABOR

In 1987-88, the Labor Ministry made dispute mediation and worker training its most important tasks under Labor Minister Diego Younes Moreno, a technocrat with extensive labor experience. In a cabinet shake-up in June 1988, the administration replaced Younes with Dr. Juan Martin Caicedo, a former president of the National Federation of Businessmen (FENALCO) and 1987-88 candidate for mayor of Bogota.

Younes' team included such experienced and effective labor negotiators as Vice Minister Jose Noe Rios and Director General German Plazas. Their talent and expertise proved crucial in solving extremely difficult private sector strikes in 1987-1988. Many of these complicated labor conflicts involved protests over the killing of workers, such as in the cement industry strike and in the long series of stoppages by banana growers in the conflict-ridden Uraba region of Antioquia Department. Six hundred labor conflicts in 1987-1988 were eventually settled through mediation by the team of negotiators headed by Vice Minister Rios and Director General Plazas.

In his year-long tenure, Minister Younes emphasized the Labor Ministry's efforts in developing worker training programs in Colombia. The SENA, Colombia's national apprenticeship training program, is a semi-autonomous governmental agency under the overall supervision of the Ministry of Labor. It receives its funds from employers who are legally required to contribute four percent of their monthly payroll total. Colombians over 14 years of age have access to some form of SENA training through its 1,200 schools or offices. SENA uses competency-based training in its programs for the industrial, agricultural, commercial, and service sectors. It has played a large role in training workers for the US $3 billion Cerrejon coal project in La Guajira department.

SENALDE, the Ministry's National Employment Service (Servicio Nacional de Empleo is a governmental employment agency designed to alleviate the unemployment problem in Colombia's marginal urban areas. Provided in early 1988 with a

sophisticated computer system, Senalde is now more efficient in its task of registering those seeking employment and putting them in contact with prospective employers.

MOL Address: Calle 19, No. 6-68, Bogota, D.E., Colombia.

VII. LABOR-MANAGEMENT RELATIONS

Collective bargaining in enterprises in the private sector usually occurs every two years. Management avoids one-year contracts because the negotiations process is protracted. One hundred and forty-seven days could pass between the time the union presents its demands and its final strike call if all the steps and delays provided for in the Labor Code are followed. Labor and management usually reach agreement much earlier in the collective bargaining process. The normal steps are: direct negotiations, conciliation, and strike or arbitration by the Labor Ministry. During the negotiation process both labor and management may present their own lists of demands. Arbitration is compulsory in the public service sector and for official employees who theoretically do not have the right to strike. It is estimated that 20 percent of the negotiations are settled through direct negotiations, 10 percent through conciliation, and the remainder through strikes or arbitration. In the private sector the Minister of Labor may intervene in a dispute at the time of conciliation and when it affects the national economy. Most union leaders in the private sector do their utmost to avoid arbitrations since the binding rulings are not retroactive and cover only monetary aspects.

The neutrality and independence of conciliators and arbitrators is not a fully developed concept in Colombia. In the conciliation stage, labor and management can be represented by eight members each, with the principal conciliators usually being the presidents of the company and union. A Ministry of Labor official, whose main function is to arrange meetings, will sit in during conciliation. In arbitration, labor and management are allowed to choose one arbitrator each and then together select a third. Usually labor and management fail to agree on the third arbitrator and the Ministry appoints one. In neither conciliation nor arbitration does the Ministry have the logistics to marshal data that could have a bearing on the dispute. In accordance with the labor code, a business is shut down entirely during a legal strike.

There were six major labor strikes in 1987, both in the private and public sector. Major conflicts included those in the Sofasa-Renault automobile factories (35 days long) and a series of cement workers strikes that affected the important Caldas, Samper, Diamante, Nare and Rio Claro factories. In late 1987 and early 1988 strikes brought the cement and construction industry to the verge of a standstill. The operations of the Cerrejon coal mine in La Guajira, a joint venture by the Colombian Government and Exxon, risked a similar fate in a series of stoppages in early 1988. Strike activity ended after the Labor Ministry declared the coalworkers' stoppage an illegal strike, and the rank-and-filers accepted management's bargaining offer.

The Sofasa, Cerrejon and the cement workers unions are all affiliated with the CUT labor confederation. Also belonging to the CUT were such government employees' unions as the judges (ASONAL) and bankworkers (FENASIBANCOL). All these unions struck several times in 1987-1988 demanding salary levels above the annual inflation rate and extended job benefits.

The CUT-affiliated banana workers in the conflict-ridden Urapa region of Antioquia department staged several debilitating strikes in 1987 to protest the killings of numerous union activists. The Government responded by creating a special military jurisdiction over the area and by opening local government offices there, including a regional office of the Labor Ministry charged with direct supervision over area labor conflicts. The huge teachers' union, FECODE (a CUT affiliate) also staged several protest strikes over this period to protest the killings of federation leaders in Medellin.

VIII. WORKERS' RIGHTS

The norms and procedures that set the right of association in Colombia are contained in the Constitution, in the agreements and treaties cosigned by Colombia within the ILO, in the Labor Code (Codigo Sustantivo de Trabajo -- CST) and in the rights emanating from special legislation or curtailed under the terms of the "State of siege" decrees, permanently invoked during the last 40 years.

The Constitution also recognizes the specific rights of labor in article 17: "Labor is a social obligation and shall enjoy the special protection of the State;" and 18: "The right to strike is guaranteed, except in public services. Exercise of this right shall be regulated by law."

Law 26 of 1976 refers to freedom of organization for trade unions. Articles 3, 4, and 7 affirm the autonomy of the labor organizations in producing their own statutes and rules, to elect trade union officials, and administer their own activities. These articles prohibit the dissolution or suppression of trade unions by administrative fiat and allows the almost automatic granting of official status (personeria juridica) to labor organizations with the requisite number of members.

The Labor Code (Codigo Sustantivo de Trabajo CST), contains regulations for the right of association; the organization of trade unions, federations and confederations; collective bargaining agreements; and the right to strike and other trade union rights.

The Labor Code prohibits the employment of children in most jobs before the age of 14, particularly where such employment might interfere with schooling. These provisions are respected in the larger enterprises and major cities. However, the extensive "informal" economy is effectively outside government control. Approximately 2.5 million children under 15 work in the informal sector for low pay under poor conditions with little visible protection by the government.

The government annually sets a national minimum wage which serves as an important benchmark for wage bargaining. The minimum wage is generally sufficient to maintain an acceptable standard of living, but erosion from inflation (running close to 24 percent at the end of 1987) is a continuing problem.

The Labor Code regulates the hours of labor and other working conditions. The eight-hour day is standard in larger companies, but the workweek generally exceeds 40 hours; a standard week of five eight-hour days remains an important goal of Colombia trade unions.

Workers' occupational safety and health are extensively regulated including use of protective clothing and ventilation, first aid and fire fighting equipment at the job site, sanitary facilities and potable water, and compensation for injuries. These regulations apply to the larger agricultural enterprises as well as industry and mining. However, exemptions for small companies, the frequent use of workers as "subcontractors" rather than employees, and general enforcement difficulties leave large numbers of workers outside the protection of the law. The Government is endeavoring to improve regulatory enforcement, and improved working conditions are a priority

goal of the trade unions. Compliance with legislated regulations is difficult to enforce given the number of inspectors needed for this task. Violations appear to be more frequent among the newer, smaller industries.

Between 1982-1985, Labor Ministry inspection visits to 12,452 companies established that only 8.4 percent of them observed all of the labor-related legal regulations. The percentage of companies, which violated an average of four labor regulations, was 91.6. These violations were concentrated in the commerce, restaurant, and hotel industries (53.3 percent), and in the manufacturing industry (23.4 percent). Labor regulations most frequently infringed by management were: the affiliation of workers to the Social Security Institute (ISS) (10.3 percent); observance of minimum salary levels (9.8 percent); the timely payment of salaries (8.4 percent); and the maintenance of hygienic and occupational safety conditions (8.5 percent).

A major contention in recent years has been the retroactive concept of severance pay. Some businessmen have suggested that severance pay should not be computed on the wage-plus-benefits of the last month worked but averaged out over each increase during the entire service of the employee. Some have argued that relief on the severance pay problem would stimulate employment and increase basic wage rates. Large enterprises have attempted to keep their payroll costs down by squeezing the basic wage rate and avoiding the multiplier effect on benefits.

IX. INTERNATIONAL ORGANIZATIONS

The CTC and the CDTC are affiliated with the International Confederation of Free Trade Unions (ICFTU) and its Inter-American Regional Organization of Workers (ORIT). The former Confederacion Sindical de Trabajadores de Colombia (CSTC), which now represents the pro-Moscow contingent within the CUT, ostensibly severed ties with the Soviet-controlled World Federation of Trade Unions (WFTU) upon joining the CUT in 1986. The unions formerly with the CSTC, however, retain strong links to the WFTU, which continues to fund CSTC activities in Colombia. CUT members travel frequently to iron curtain countries. The CGT is affiliated with the World Confederation of Labor and its Congress of Latin American Workers (CLAT). Carlos Bedoya is the Secretary General of the Inter-American Textile, Garment and Leather Workers Federation (FITITVC).

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